

Message Text

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44

ACTION SS-20

INFO OCT-01 EUR-25 IO-14 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 AEC-11 AECE-00 ACDA-19 CIAE-00 INR-10 L-03

NSAE-00 NSC-10 RSC-01 SCI-06 SCEM-02 DODE-00 PM-07

H-03 PA-04 PRS-01 SPC-03 DRC-01 EB-11 /152 W

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O R 061655Z DEC 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 5277

INFO AMEMBASSY BONN

AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY THE HAGUE

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS UNN

USMISSION IAEA VIENNA

C O N F I D E N T I A L PARIS 31275

FOR CASEY AND SCI: SIEVERING DEPT PASS AEC MOSCOW FOR POLLACK

E.O. 11652: N/A

TAGS: BEXP, TECH

SUBJECT: URANIUM ENRICHMENT POLICY

REFS: A) BONN 17154 B) USEC 6885; C) LONDON 14099; D) PARS 30317;

E) PARIS 30796; F) PARIS 3005; G) PARIS 30210; H) PARIS 31091;

I) PARIS 30810

SUMMARY. A PRIMARY OBJECTIVE IN URANIUM ENRICHMENT IS A STABLE AND
SECURE FUTURE SUPPLY. THIS CALLS FOR COOPERATION WITH THE EUROPEANS
AND OTHER ADVANCED NATIONS IN BOTH TECHNOLOGICAL DEVELOPMENT AND
LONG-TERM MARKETING. AS A FIRST STEP IN THIS DIRECTION, WE URGE THE
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USAEC TO APPROVE THE REQUEST OF THE EUROPEAN PRODUCERS OF NUCLEAR

POWER FOR A THREE-MONTH EXTENSION OF THE DECEMBER 31 DEADLINE IN ORDER TO ALLOW US-EURODIF NEGOTIATION ON COOPERATION. THE AEC MIGHT MAKE ITS POSTPONEMENT CONTINGENT ON THE AGREEMENT IN PRINCIPLE BY THE EURODIF GOVERNMENTS TO ENCOURAGE NEGOTIATION. END SUMMARY.

1. RECENT REPORTS FROM BONN (REF A), USEC (REF B), LONDON (REF C) AND PARIS (REFS D E C) SUGGEST DESIRABILITY OF A MAJOR POLICY INITIATIVE: AN OFFER TO COOPERATE WITH EUROPE, JAPAN, AND OTHER ADVANCED NATIONS IN BOTH THE TECHNOLOGICAL AND COMMERCIAL ASPECTS OF URANIUM ENRICHMENT. WE AGREE WITH BONN AND LONDON THAT THIS INITIATIVE COVER BOTH DIFFUSION AND CENTRIFUGE TECHNOLOGY AND THAT IT INCLUDE LONG-TERM PLANNING AND MARKETING COOPERATION. THE PRIMARY US OBJECTIVE IN THIS MATTER APPEARS TO BE THE SECURING OF A STABLE AND SUFFICIENT WORLD SUPPLY OF NUCLEAR FUEL FOR PRODUCING ELECTRIC POWER, WITH ACCEPTABLE SAFEGUARDS AND THE AVOIDANCE OF UNREASONABLY LARGE EXCESS CAPACITIES. THE BEST WAY TO ACHIEVE THIS OBJECTIVE, AND PERHAPS THE ONLY WAY, IS THROUGH COLLABORATION BETWEEN PRODUCERS AND CONSUMERS OF ENRICHED URANIUM ON A WORLD SCALE. THE ALTERNATIVE, AND THIS APPEARS TO BE THE CASE AT PRESENT, IS FOUR COMPETITIVE, MUTUALLY EXCLUSIVE CAMPS: EURODIF, URENCO, THE USSR AND THE US WITH THE WORLD ELECTRICAL UTILITIES ON THE OUTSIDE. THIS LACK OF COLLABORATION RUNS THE RISKS OF COSTING EXCESS CAPACITIES BEFORE 1985 AND POSSIBLE SHORTFALLS IN POST-1985 YEARS, TOGETHER WITH PROBABILITY OF DECREASING EFFECTIVENESS OF OUR EFFORT TO SECURE A STABLE AND SUFFICIENT WORLD SUPPLY AND ACCEPTABLE SAFEGUARDS.

2. AN INTERNATIONAL INITIATIVE OF THIS MAGNITUDE REQUIRES THE KIND OF POLICY REASSESSMENT SUGGESTED ALREADY IN ONE FORM OR ANOTHER BY FOUR EUROPEAN POSTS. HOWEVER, POLICY REASSESSMENTS TAKE TIME. A MATTER OF PRESSING CONCERN IS THE REQUEST BY THE ORGANIZATION OF NUCLEAR POWER PRODUCERS TO AEC FOR A POSTPONEMENT OF ITS DECEMBER 31, 1973 DEADLINE FOR THREE MONTHS IN ORDER TO ALLOW TIME FOR NEGOTIATIONS OF US-EURODIF COOPERATION. AS A FIRST STEP, WE STRONGLY URGE THE USAEC TO GRANT THAT POSTPONEMENT AS SOON AS POSSIBLE. A RESPONSIBLE GOF NUCLEAR OFFICIAL HAS INFORMED SCIATT THAT THE THREE-MONTH SUSPENSION WOULD POSE NO PROBLEM FOR EURODIF. HE STRESSED, HOWEVER, THAT GOF REQUIRES A RESPONSE WELL BEFORE

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DECEMBER 15 EC SUMMIT. ONCE POMPIDOU DISCUSSES EURODIF IN THAT FORUM, IT WOULD BE VIRTUALLY IMPOSSIBLE TO CHANGE PLANS IN SUBSEQUENT TWO WEEKS (HE CONCEDED THAT ENRICHMENT WOULD PROBABLY NOT BE MAJOR ITEM DURING SUMMIT). A RESPONSE BEFORE DECEMBER 10 OR 11 WOULD APPEAR TO BE NECESSARY.

3. EMBASSY IS CONCERNED OVER THE USG INSISTENCE THAT THE REQUEST FOR COOPERATION BE A FORMAL EUROPEAN INITIATIVE. IF THE US HAS MORE

TO GAIN THAN LOSE BY PROCEEDING WITH NEGOTIATIONS, THEN THIS POTENTIAL GAIN SHOULD NOT BE SACRIFICED FOR WHAT APPEARS TO BE A FORMALITY. IT IS PRIMARILY A QUESTION OF WHETHER COOPERATION WOULD BE IN OUR NATIONAL INTEREST, NOT WHETHER THE US OR EUROPEANS MADE FIRST MOVE. BY INSISTING THAT EUROPEANS BE THE INITIATOR, THE US MAY DELAY FOR TOO LONG ITS DECISION. THIS IN EFFECT WOULD MEAN TO DECIDE TO DO NOTHING. WE SUGGEST STRONGLY THAT THE QUESTION OF INITIATIVE BE IGNORED. IF THE DEPARTMENT'S THINKING IS, HOWEVER, BASED ON A DESIRE FOR A GOF COMMITMENT TO NEGOTIATION, WE SUGGEST THAT AEC APPROVAL BE MADE CONTINGENT ON AGREEMENT IN PRINCIPLE BY THE FIVE EURODIF GOVERNMENTS. THIS CONTINGENCY OFFERS THE ADVANTAGE OF BRINGING NEGOTIATIONS WITHIN CUSTOMARY GOVERNMENTAL CHANNELS WITHOUT RAISING QUESTION OF INITIATIVE NOR DETRACTING FROM MULTILATERAL NATURE OF EURODIF.

4. INDEED A CASE CAN BE MADE THAT THE FRENCH HAVE RESPONDED TO THE ORIGINAL US INITIATIVE FOR COOPERATION WITH A MULTINATIONAL GROUP IN BUILDING A GASEOUS DIFFUSION PLANT IN EUROPE. ADMITTEDLY THE EUROPEANS WERE NOT INTERESTED IN THE CONDITIONS ATTACHED TO OUR OFFER AND PRESENTED TO THEM IN DECEMBER 1971 AND THEY DID NOT FORMALLY REPLY. HOWEVER, THE FRENCH, IN THE PERSON OF CEA ADMINISTRATOR ANDRE GIRARD, HAVE TOLD USG OFFICIALS BOTH IN PARIS AND ELSEWHERE (REF B, PARA. 6) OF THEIR INTEREST TO OBTAIN ACCESS TO USG TECHNOLOGY. THE GOF COMMUNIQUE APPROVING EURODIF PURPOSELY LEFT DOOR OPEN TO COOPERATION WITH THE US (REF G&H). TOP NUCLEAR PLANNER IN ENERGY SECRETARIAT OF MINISTRY OF INDUSTRIAL AND SCIENTIFIC DEVELOPMENT (TO WHICH THE CEA REPORTS) HAS TOLD SCIATT THAT GOF AND ITS EURODIF PARTNERS WANT TO EXPLORE POSSIBILITIES OF US COOPERATION (REF H). FINALLY, THE REQUEST FOR POSTPONEMENT (REF I) ISSUED BY THE ASSOCIATION OF NUCLEAR POWER PRODUCERS WAS CONCURRED IN BY THE STATE-OWNED AND CONTROLLED ELECTRICITE DE FRANCE.

5. IN CLOSING, WE WISH TO REPEAT THAT IF US-EURODIF COOPERATION IS CONFIDENTIAL

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INDEED IN THE INTERESTS OF THE US, THEN THE USG SHOULD NOT LET THE QUESTION OF INITIATIVE STAND IN THE WAY. WE URGE IMMEDIATE AE EXTENSION OF THE DEC. 31 DEADLINE, PERHAPS TO BE MADE CONTINGENT ON ACCEPTANCE IN PRINCIPLE BY THE GOVERNMENTS OF THE FIVE EURODIF NATIONS.
IRWIN

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